

OPINIONS CITED IN 93-004

I84-097
I87-009

STATUTES CITED IN 93-004

ARS 15-253(B)



STATE OF ARIZONA

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August 31, 1993

Candyce B. Pardee
Deputy County Attorney
Gila County Attorney
1400 East Ash Street
Globe, Arizona 85501

Re: I93-004 (R93-007)

Dear Ms. Pardee:

Pursuant to A.R.S. § 15-253(B), we have reviewed your May 24, 1993 opinion letter to Dr. O. K. Nutting, Superintendent of Globe Unified School District No. 1, concerning additions the District made to its retirement incentive policy in order to conform to state law and attorney general opinions.

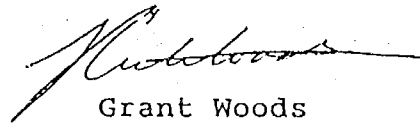
The limitations upon school districts wishing to offer employees retirement programs have been discussed extensively in prior opinions of this office. See Ariz. Att'y Gen. Op. I84-097; I87-009. We concur with your opinion that the District may contract annually with former employees to provide services in exchange for medical and retirement benefits. We further concur that employees retiring before the change in District policy have no vested right to retirement incentives that were void at inception, and that the value of the services contracted for must bear a reasonable relation to the cost of the benefits provided.

Additionally, we concur that the District may provide a lump sum incentive payment to employees in their last year of employment.

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We caution, however, that lump sum payment should not be deemed compensation for purposes of the State Retirement Fund. See Ariz. Att'y Gen. Op. I84-097, footnote 1.

Sincerely,



Grant Woods
Attorney General

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